

The Honorable Karen A. Overstreet  
Hearing Date: January 17, 2014  
Hearing Time: 9:30 a.m.  
Response Date: January 10, 2014

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re: ) Chapter: 11  
)  
CLI HOLDINGS, INC. dba ALYDIAN, ) Case No. 13-19746-KAO  
)  
Debtor. ) APPLICATION BY DEBTOR TO  
) EMPLOY DENALI FINANCIAL  
) CONSULTING LLC AS ACCOUNTANT

Pursuant to 11 U.S.C. §327(a) and Bankruptcy Rule 2014, Debtor CLI Holdings, Inc. dba Alydian (“Alydian” or “Debtor”) requests approval to employ accountant Denali Financial Consulting LLC (“DFC”) to provide accounting services in this case. The Declaration of Chris Dishman is filed in support of this Application. In support of this application, Debtor represents as follows:

1. Alydian filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the “Code”) on November 1, 2013. Alydian is managing its affairs as Debtor-in-Possession pursuant to §1107 and §1108 of the Code.

2. Alydian wishes to employ DFC as accountant to assist it in connection with financial reporting matters respecting this case, and has entered into the Independent Contractor Agreement, attached hereto as Exhibit A. DFC’s billing rates to provide accounting services,

1 project management services and GAAP advisory services for Alydian in this case are as set  
2 forth in Exhibit A. DFC's estimated expenses are \$600.

3 3. DFC is familiar with Alydian's financial systems. It also has experience in  
4 providing accounting services to CoinLab, Inc. That experience will be of significant value to  
5 Alydian, because there is an operating agreement in place between the two entities.  
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7 4. Alydian believes that DFC (a) does not hold or represent any interests adverse to  
8 the interests of Debtor, (b) is a disinterested person within the meaning of 11 U.S.C. §101, and  
9 (c) is not a prepetition creditor of the Debtor. Debtor hereby consents to services to be provided  
10 by DFC as its accountant.

11 5. DFC does not hold a prepetition retainer on behalf of the Alydian. DFC holds a  
12 postpetition retainer of \$16,000, which will be reimbursed to Alydian in the event the DFC's  
13 employment application is not approved.  
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15 6. Alydian has agreed to pay all DFC's fees and costs as they are approved by the  
16 Bankruptcy Court. In return for its services provided to and on behalf of Alydian, DFC will seek  
17 (a) interim and final compensation based upon the Independent Contractor Agreement, and (b)  
18 reimbursement of expenses incurred, and as permitted by the Code.

19 7. DFC's billing rates of DFC to provide accounting services, project management  
20 services and GAAP advisory services for Alydian in this case are as set forth in Exhibit A.  
21 DFC's estimated expenses are \$600.  
22

23 WHEREFORE, Alydian requests that the Court approve employment of DFC as  
24 accountant to render services identified in the Independent Contractor Agreement, with  
25 compensation and reimbursement of expenses to be paid as an administrative expense in such  
26 amounts as may be allowed by this Court, after notice and hearing pursuant to 11 U.S.C §330.

1 DATED this 27th day of December, 2013.

2  
3 /s/Peter J. Vessenes

4 Peter J. Vessenes

5 Director, CLI HOLDINGS, INC.  
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